



## TOWN OF NORTH ANDOVER

### FINANCE COMMITTEE

#### Meeting Minutes

**Meeting Date:** April 17, 2012

**Meeting Location:** Town Hall, First Floor  
Conference Room

**Meeting called to order:** 6:45PM

Alan LeBovidge AL, Chairman	X	Ramsey Bahrawy- RB	
Tom Dugan TD, Vice Chairman		Robert Norbedo-RN	X
Ben Osgood-BO	X	Matthew Remis-MRem	X
Dan Leary -DL	x		
Peter Besen-PB	X	Pat Sifferlen, PS, Admin	X
Donald Elliot DE			

#### Non FinCom Members in Attendance

OTHERS: - Ray Santilli (RS), Stan Limpert (SL), Jim Mealey (JM)

**Note:** All FINCOM votes are subject to change upon receipt of new information.

**Note:** Documents used in this meeting are listed in Document Table, herein.

#### II. Previous Minutes Approved

## AGENDA ITEM: A ESCO DISCUSSION (Ray Santilli and Jim Mealey)

RS Over a year ago the Merrimack Valley Planning Commission on behalf of its member communities selected Ameresco Inc to perform Energy Performance Contracting over 7 companies applied. They also hired a private consultant to assist the towns and act as an objective person to assist communities. Last May the Board of Selectman and School Committee gave approval for Ameresco to perform an investment grade audit (IGA) in all municipal and school buildings took roughly 8-9 months. They gave a report that was separated into 4 categories, and over 7 million in projects. Town met with them and took out all enterprise projects now there are 89 projects totally over 4million. The cost of the projects would be offset by the energy savings over a number of years. This company is a design/build company. The ESCO provides all the services required to design and implement a comprehensive project from the initial energy audit through long term monitoring and verification of the project savings. No bidding process still prevailing wage. 2 project selection sheets were distributed to members one showing projects by buildings and one showing by category. There are 4 different categories (O) obsolete, not functional, unserviceable, (P) problematic, operational or comfort issues, (E) end of useful life failing equipment (S) savings cost savings. Amounts are 3.6 million for school and 800K for municipal side. Savings are guaranteed. The ESCO provides a guarantee that the savings by the projects will be sufficient to cover the cost of all or some of the project financing for the life of the project. If they do not match what they have promised they will write the town a check. Two options do this are leasing or bonding. If Leasing (Ameresco financing) we will not incur charges of bonding.

MR How big is the Company?

RS they have been doing business in other states. We are not the first to jump into them

AL what if the job is not done properly?

RS we will receive a check if they do not meet their savings

PB Are there any warranties?

RS we would be under contract for 15 yrs

BO do they name equipment and guarantee price?

RS they will generate a 300 -400 page report and name all equipment. Paragon is our project manager and will oversee.

RS Municipal and school will still receive utility budgets (general Budgets) and then take back savings to pay cost of bond.

Enterprise funds were not added because it added a lot and big projects were already funded.

DL Looking @proposals about 1/3 of cost is energy. IT Systems who is actually proving savings?

RS Savings is determined by EMS systems.3% escalation of cost for energy added in. Maintenance will be done by them for a period of time based on contract also by Facilities manager he has been going with Ameresco to see buildings and equipment. If we do not do any of these projects we will owe them 40K we cannot get an audit of both municipal and school for any less. If we go out to bid it will cost us over 300 or 400K dollars. We will need to do a minimum of 1million to save the 40K.

MR we need to check the sources other towns they have worked with. Have you talked to other towns?

RS this was an RFP and 7 other companies bid on this. MVPC selected them.

RS If town meeting turns this project down we will still owe them the 40K. If we do projects we will not owe them the money.

4.3 million in costs savings over 15 yrs will pay cost borrowing rate @3.75%

#### AGENDA ITEM: A Cont'd

Discussion: AL:What are the steps for this?.

RS If we decide to bond it we need to go Town meeting so we have article in Warrant. We go thru leasing borrowing it would be out of town meeting scope it would be part of budget. Super Majority 4 votes from selectman and 4 from School committee Decision will be made before Town Meeting.

### III. New Business

### IV. Next Meetings

April 24, 2012

### V. Adjournment-

Motion: MR  
Seconded: DL

Unanimous  
Time: 8:25

